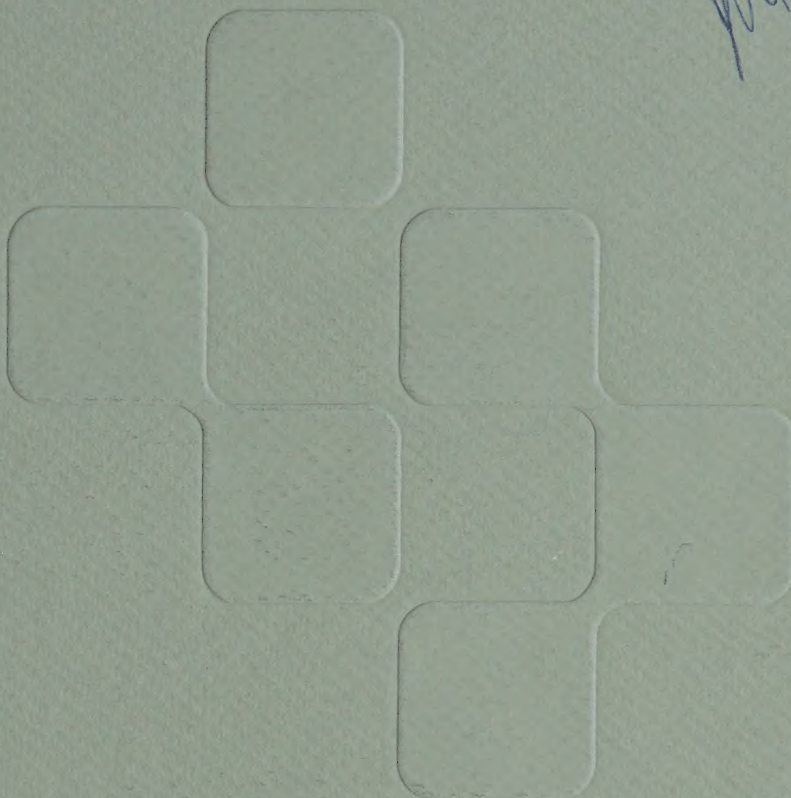


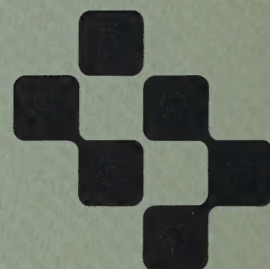
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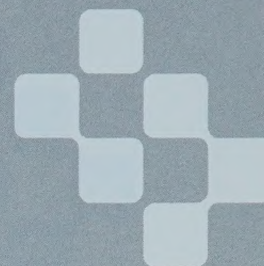
EDP DATA CENTRES LIMITED



THE COVER: EDP Data Centres Limited employs its first annual report to shareholders to introduce a corporate symbol, a design formed basically by two joined crosses or plus-signs. It is intentionally a non-objective emblem, without attempt to reflect any single phase of present corporate operations. It may suggest to some a company of many parts, and one which is, or intends to be, of substantial size.

The Annual Meeting of EDP Data Centres Limited will be on March 24, 1969, starting at 2:00 p.m., in the Social Suite, Hotel Vancouver, Burrard and West Georgia Streets, Vancouver. Shareholder attendance, and participation, are solicited.

EDP DATA CENTRES LIMITED



DIRECTORS

Benjamin J. Kaganov
President and Managing Director,
Maxwell, Cummings & Sons Investments Ltd.,
Calgary, Alberta.

Hugh McDonald
President, McDonald Investments Ltd.,
Vancouver, British Columbia.

Frank F. Rush
President, Pacific Leasing Corporation Limited,
Vancouver, British Columbia.

Edward S. Scaldwell
President, EDP Associates Ltd.,
Toronto, Ontario, Montreal, Quebec,
and Vice-President of the company.

Gordon M. Shrum
Chairman, B.C. Hydro and Power Authority,
Vancouver, British Columbia.

A. Mark Vansittart
Director, Cochran, Murray & Co. Ltd.,
Toronto, Ontario.

William R. Wood
President of the company,
Vancouver, British Columbia.

Vancouver Data Centres and Pacific Leasing Corporation Limited
2256 West 12th Avenue, Vancouver 9, B.C.

Toronto Data Centres and EDP Associates Ltd.
40 Wynford Drive, Don Mills, Ontario.

Montreal Data Centres
#1 Westmount Square, Montreal 6, Quebec.

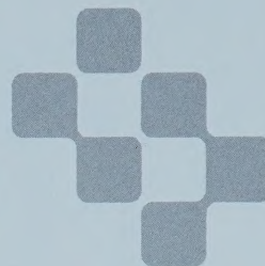
OFFICES

The transfer agent and registrar for the Company's common and preferred stock, and for warrants issued on common stock, is the Canada Permanent Trust Company, 455 Granville Street, Vancouver 2, British Columbia.

EDP Data Centres Limited common stock, preferred stock, and common stock warrants are traded on the Vancouver Stock Exchange.

To Our Shareholders:





There is a certain excitement involved when a publicly-held corporation issues its first annual report. For the founders and managers of the enterprise, it represents an opportunity to review accomplishments and objectives. For the stockholders, it represents an opportunity to compare their company's achievements with those of other publicly-held concerns.

Our 1968 fiscal year closed November 30. This annual report cannot, therefore, reflect several subsequent developments which significantly effect the size and scope of our operations. What it does show is a substantial increase in the volume of our data centre operations and software services.

Revenues for the 12 months ending November 30, 1968, were \$1,042,899 compared with \$845,621 for the period ending November 30, 1967. Net income for our 1968 fiscal year was \$6,410.00. For fiscal 1967, net earnings were \$35,925.00.

We were in no sense disappointed by 1968's profit performance. The measure of the year was the increase in the number of customers (some 50%), the increased revenues from data centre and software divisions (about 23%), and the growth in the number of skilled EDP personnel (almost 20%).

We expect to see this kind of acceleration in activity continue through fiscal 1969. We begin this year with a much stronger and broader operating base, reflecting recent acquisitions. In a few days, financial results of our first quarter of fiscal 1969 will be published. The quarterly figures will confirm this growth.

In the first quarter of fiscal 1969 your company has also succeeded in the following:

★ On December 20, 1968, we completed the acquisition of Pacific Leasing Corporation Limited, Western Canada's largest independent leasing company with assets exceeding \$6 million.

- ★ On January 8, we completed a \$570,000 private placement of treasury shares with a large mutual fund organization.
- ★ On February 3, we acquired Precise Data Services Limited, an exceptional data input centre.

Available industry statistics reveal that your Company has grown much more rapidly than the average firm in the data processing services field. Emphasis on customer service and development of capable marketing organizations have been contributing factors in this achievement.

Today EDP Data Centres has a viable foundation on which to build a North American company with exceptional capability in all areas of computer application and operation. That is your Company's objective. We will, and quite likely within the present year, see expansion into other dimensions of the total computer services field. Longer range, the Company may engage in broadly diversified functions where extensive computer usage, or the introduction of it, is a prime factor in the profitability of operations.

The Company now counts over 200 employees in its four present operating divisions. We are grateful to these individuals for their loyalty and dedicated response to the needs of more than 250 data processing service customers.

Frank Rush, Ed Scaldwell and I also acknowledge a particular debt to our four outside directors whose guidance has done us immeasurable good in the building of this enterprise.

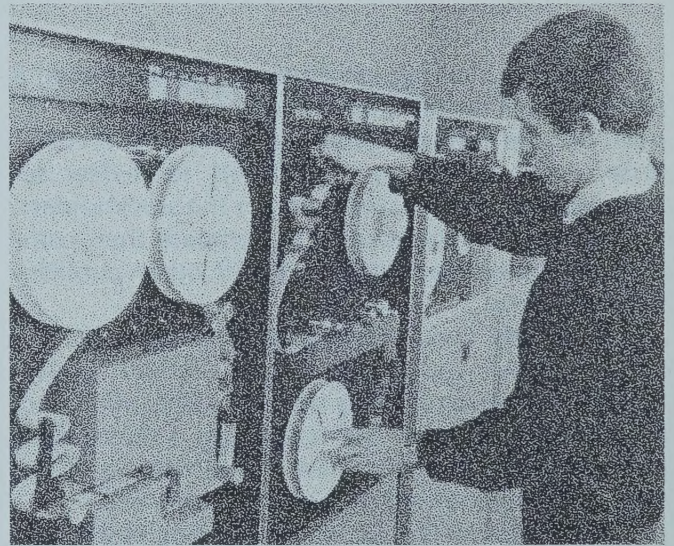
Sincerely,

W. R. Wood,
President.



EDP DATA CENTRES LIMITED

The company is operated divisionally. We believe the following outline represents a strong, broadly-based enterprise.



The Data Centres Operations

A data centre is a processing point for information, converting raw data into meaningful summary and organized-in-detail form. The largest number of EDP Data Centre customers do their own preliminary work, producing the paper or magnetic tapes, or the punch cards, that the centre feeds into its computer.

Why data centres? One obvious reason is cost. Pound for pound, computers are among the most costly machines ever devised by man. Unit rental typically run several thousands dollars monthly. To operate a computer profitably, it must be utilized extensively. Most companies with data processing requirements simply don't have enough volume to

justify the machinery, much less the highly-trained operating staff, that a full data processing department requires.

The economy of shared time is not the only justification for a data centre. As a specialist in its field, the centre invariably has a much better capability than the client for handling a given task.

The Company's data centres in Montreal, Toronto and Vancouver are staffed by some 105 highly-trained personnel. Each has its own separate computer installation and functions much as an independent business enterprise, concerned directly with the welfare of its clients.

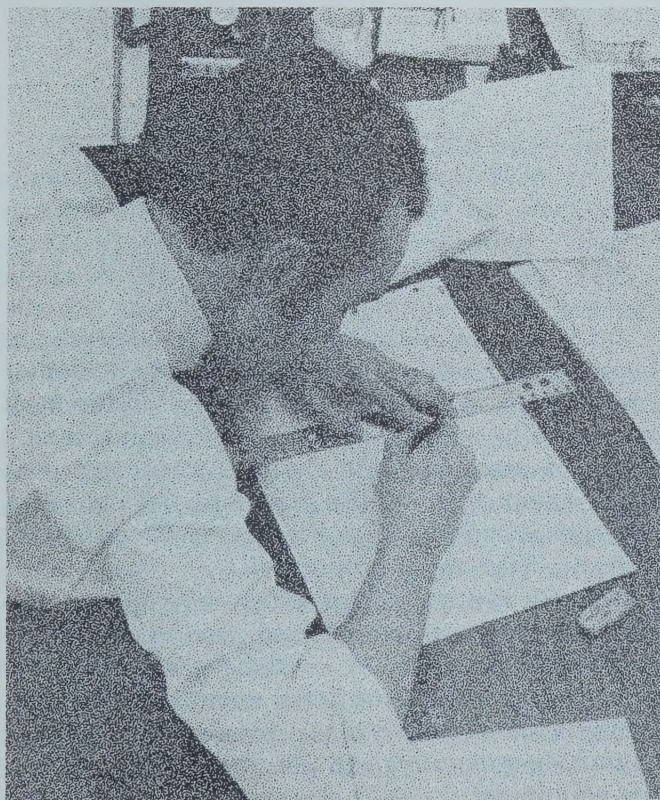
Software Services

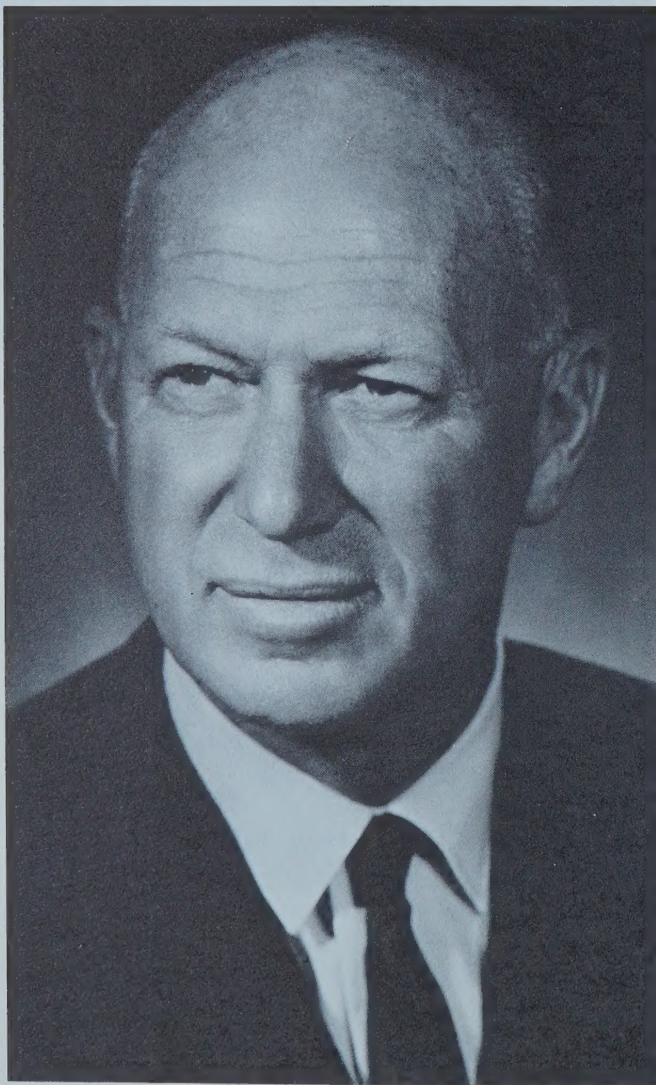
Data centres also provide a specialized and overload capacity for larger business and government accounts who find considerable value in an outside service to supplement an in-house data processing department. Such larger enterprises also constitute the primary market for EDP Associates Limited, the Company's internationally-operating software division.

Software services include systems analysis, design of overall data processing operations, development of specific computer programs, consultation on the utilization and selection of equipment, and actual organization and staffing of a data processing function.

With a staff of more than two dozen project managers and professional analysts, EDP Associates provides computer consulting services throughout Canada and two major United States markets, New York City and Detroit. Clients include major public agencies and many firms in manufacturing and distribution, including several of the largest.

While the software division operates independently of data centres, it frequently consults with data centre users and is available to clients in all divisions. Consulting services are headquartered in Toronto.



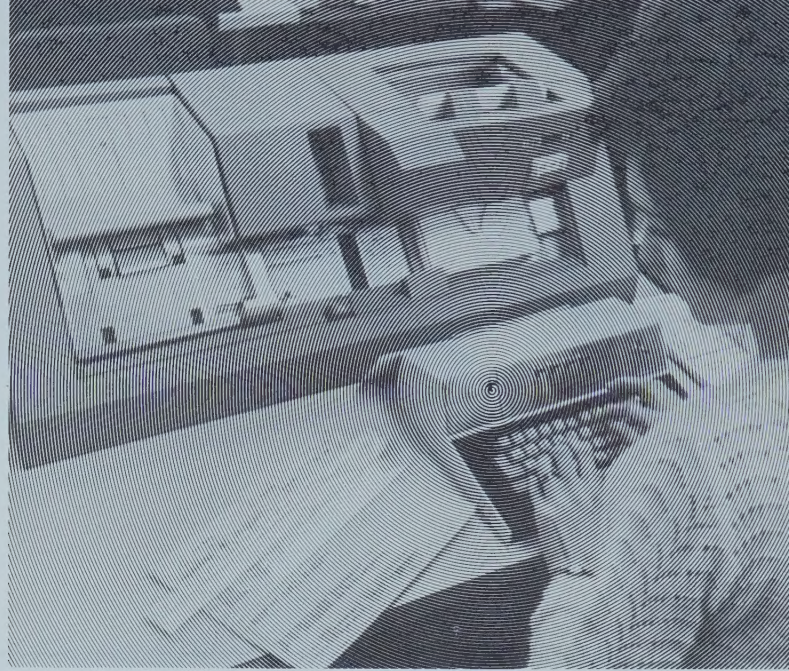


Frank F. Rush

Equipment Leasing

Leasing has advantages in almost every area of business, and applies to units of relatively modest cost as well as those valued in the hundreds of thousands or millions of dollars. By freeing capital for more productive uses, leased equipment contributes importantly to the growth of many business enterprises and to the profits that can be generated with any fixed amount of capital.

Pacific Leasing Corporation operates in the general equipment leasing field, serving almost 400 established accounts in manufacturing, construction, merchandising and other commercial lines. In addition to this, Pacific is now expanding its services to include computers and peripheral data processing equipment.



Input Centre Operations

Many data processing users, and many more potential computer customers, have little or no capability to organize their records for electronic processing. They represent a promising "third" market for the industry and are the primary customers for the Company's newly-acquired Precise Data Services division.

Precise Data is in one part a specialized key-punch centre where bulk records are reproduced on punch cards or tape. In Vancouver this division has 50 full-time employees and approximately 100 part-time keypunch operators for peak workloads. Availability of on-call personnel enables the centre to supplement individual client staff requirements on a temporary basis. In addition, the company offers a specialized personnel placement service in the data processing field.

Its services have a much broader application and could logically flourish in tandem with each EDP data centre. Precise Data's first branch, in Toronto, will be functioning by May.



Consolidated Balance Sheet

as at November 30, 1968

(With combined balance sheet as at November 30, 1967) (Note 2)

Assets

	1968		1967
Current:			
Cash -----	\$ 26,622		\$ 48,160
Accounts receivable -----	199,603		142,092
Income taxes recoverable -----	4,386		—
Unbilled charges at billing value -----	34,490		7,172
Prepaid expenses -----	5,912	\$ 271,013	3,324
			\$ 200,748
Fixed:			
Equipment and tapes - at cost -----	62,866		25,034
Automobiles - at cost -----	3,945		8,399
	66,811		33,433
Deduct: Accumulated depreciation -----	11,810		5,070
	55,001		28,363
Leasehold improvements, less amounts written off -----	19,462	74,463	19,898
			48,261
Other:			
Establishment costs and deferred charges (Note 3) -----	310,994		14,356
Share issue expense -----	113,392		
Excess of cost of shares of subsidiary over net book value and goodwill -----	581,545	1,005,931	
		\$ 1,351,407	\$ 263,365

On behalf of the Board:

W. R. WOOD, Director

H. McDONALD, Director

EDP DATA CENTRES LIMITED



Liabilities

	1968		1967
Current:			
Bank loan - secured	\$ 11,000		\$ 54,933
Accounts payable and accrued charges	88,239		123,717
Customers' deposits	15,380		7,670
Employees' deductions payable	23,427		11,752
Income taxes payable	—		15,284
Current portion of long-term debt	60,000	\$ 198,046	— \$ 213,356
Long-Term Debt:			
Loans payable			65,000
Agreement payable - 6% due December 1, 1969	70,000		
Notes payable - 6% maturing \$60,000 May 15, 1969 and \$60,000 December 15, 1969	120,000		
	190,000		
Deduct: Current portion shown above ..	60,000	130,000	
Share Capital:			
Authorized - 1,000,000 Common shares, no par value Issued and Fully Paid - 525,000 shares (1967 - 200 shares)	1,067,663		\$ 445
Deficit	44,302	1,023,361	15,436 (14,991)
		\$ 1,351,407	\$ 263,365

EDP DATA CENTRES LIMITED

Statement Of Deficit

for the year ended November 30, 1968

Deficit, Beginning of Year		\$ 46,951
Deduct: Adjustment of prior year's deficit (Note 3)		<u>46,951</u>
		—
Net Profit for Year - per statement	\$ 6,410	
Deduct: Net profit of C & W Data Limited and EDP Associates Limited for the five months ended April 30, 1968 (offset against goodwill)	50,712	<u>44,302</u>
Deficit, End of Year		<u><u>\$ 44,302</u></u>

Combined Statement Of Operations

for the year ended November 30, 1968 (Note 1)
(with comparative figures for 1967)

	1968	1967
Revenue	\$ 1,042,899	\$ 845,621
Expenses:		
Salaries and benefits	628,481	509,549
Machine and premises rental	238,323	150,438
Supplies and office	88,626	75,791
Travel and sales	56,375	40,528
Interest	9,292	7,761
Legal and audit	2,199	3,760
Depreciation and amortization	5,693	6,369
	<u>1,028,989</u>	<u>794,196</u>
Net Profit before Income Taxes	13,910	51,425
Provision for income taxes	<u>7,500</u>	<u>15,500</u>
Net Profit for the Year	<u><u>\$ 6,410</u></u>	<u><u>\$ 35,925</u></u>

Notes To Financial Statements

as at November 30, 1968

1. The combined statement of operations includes the income and expenses of EDP Data Centres Limited, EDP Associates Limited and C & W Data Limited for the years 1968 and 1967. The operations of C & W Data Limited and the outstanding shares of EDP Associates Limited were acquired effective May 1, 1968 by EDP Data Centres Limited.
2. The combined balance sheet at November 30, 1967 includes the assets and liabilities of EDP Data Centres Limited, C & W Data Limited and EDP Associates Limited.
3. Establishment Costs:
The company has adopted a policy of capitalizing operating losses of each branch office for a two year period after commencement of business and showing these losses as additional costs of establishing these branches. The effect of this policy on operating results for the year ended November 30, 1968 is to capitalize losses of \$245,938 and to increase consolidated income accordingly.
A branch operating loss of \$46,951 during the year ended November 30, 1967 previously charged to "Deficit" has also been capitalized in the current year in accordance with this change in policy. This has resulted in a corresponding increase in consolidated income for that year.
4. Change of Names:
Effective July 30, 1968, the company changed its name from EDP Data Centres (Western) Limited to EDP Data Centres Limited.
5. Leases:
The company has leased four computers and auxiliary equipment, one for a five year period ending February 1, 1971 at a rental aggregating approximately \$105,000 annually, two for five year periods ending September 1, 1972 at rentals aggregating approximately \$90,000 and \$68,000 annually and one for a five year period ending October 31, 1973 at rentals aggregating approximately \$70,000 annually.
6. Statutory Information:
Total remuneration paid to directors and senior officers amounted to \$98,934 for the year ended November 30, 1968.
7. Events subsequent to the Balance Sheet Date:
 - (a) The company has offered to acquire all of the -
 1. Class "A" Shares
 2. Class "B" Shares
 3. 6% Preferred Shares series "B"
 4. Share purchase warrants
 5. 6¾ % Convertible sinking fund debentures series "C"of Pacific Leasing Corporation Limited for 5% cumulative redeemable convertible preferred shares Series "A" and share purchase warrants.
If all of the above noted securities were acquired, EDP Data Centres Limited would be required to issue 95,310 Series "A" preferred shares and 44,967 warrants. As at February 1, 1969, over 90% of the above mentioned securities has been acquired by EDP Data Centres Limited.
 - (b) By agreement dated February 3, 1969 the Company acquired all the outstanding shares of Precise Data Services Ltd. for \$62,500 and 4,000 common shares.
 - (c) On January 8, 1969, the Company sold privately 30,000 common shares for a consideration of \$570,000.
8. Due to changes in the corporate structure a source and application of funds for the year ended November 30, 1968 would not be meaningful and accordingly such a statement has not been prepared.

Auditor's Report

To the Shareholders of,
EDP Data Centres Limited.

We have examined the consolidated balance sheet of EDP Data Centres Limited and its subsidiary company as at November 30, 1968 and the statement of deficit and the combined statement of operations for the year then ended. Our examination included a general review of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet, statement of deficit and combined statement of operations present fairly the financial position of the Company as at November 30, 1968 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a consistent basis, except as set out in Note (3) to the financial statements.

COLLINS, LOVE, EDDIS, VALIQUETTE & CO.
Chartered Accountants

February 14, 1969
Vancouver, B.C.

